

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE:	§	
	§	
EAGLE GEOPHYSICAL, INC., <i>et al.</i>,	§	CASE NO. 09-33753-H4-11
	§	
Debtors.	§	(Chapter 11 – Jointly Administered)

**DEBTORS' EXPEDITED MOTION FOR APPROVAL OF SALE OF PERSONAL
PROPERTY FREE AND CLEAR OF LIENS UNDER 11 U.S.C. § 363(F)**

A HEARING WILL BE CONDUCTED ON THIS MATTER ON JULY 29, 2009 AT 2:00 P.M. IN COURTROOM 403, 515 RUSK AVENUE, HOUSTON, TEXAS. IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING SPECIFICALLY ANSWERING EACH PARAGRAPH OF THIS PLEADING. UNLESS OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR RESPONSE WITH THE CLERK OF THE BANKRUPTCY COURT PRIOR TO THE HEARING DATE. YOU MUST SERVE A COPY OF YOUR RESPONSE ON THE PERSON WHO SENT YOU THE NOTICE; OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

EXPEDITED RELIEF IS REQUESTED. ANY RESPONSE MUST BE FILED PRIOR TO THE ABOVE HEARING DATE.

**To the Honorable Karen Brown,
United States Bankruptcy Judge:**

Eagle Geophysical Onshore, Inc. and Eagle Geophysical, Inc. (collectively, the "Debtor") files this Expedited Motion for Approval of Sale of Personal Property Free and Clear of Liens under 11 U.S.C. § 363(f).

Nature of the Motion

1. The Debtor seeks to sell seven trucks and four trailers along with an assortment of spare parts to Global Geophysical Services ("Global") for a cash payment of \$280,000. The sale will be made free and clear of all liens, claims, interests and encumbrances under 11 U.S.C. § 363(f). Finally, the Debtor seeks expedited consideration of the motion as the vehicles/trailers

are located in a partially unsecure location and require ongoing maintenance, insurance and security expense to properly preserve their value.

Expedited Consideration

2. The Debtor requests expedited consideration of the Motion. The vehicles/trailers to be sold are located in Needville, Texas in a partially unsecured location. In addition, the vehicles/trailers require significant ongoing maintenance and security expense in order to maintain their current value as well as costly insurance. The Debtor believes that expedited consideration of the proposed sale is warranted under the circumstances. Moreover, no party is prejudiced as the vehicles/trailers are owned by the Debtor and are unencumbered.

Background

3. On May 31, 2009, both debtors filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"). The debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

4. In the operation of its seismic business, the Debtor utilized the following vehicles/trailers:

- Seven LRS 315 Truck Mounted Vibrators mounted on Paystar 5000 International Trucks with (i) all spares in inventory; (ii) parts trailer; (iii) Pelton Advance II Electronics & Pelton ESG Unit; and (iv) an eighth LRS 315 Truck Mounted Vibrator that is currently being used for spare parts.
- Arrow Trailer Model AT835 w/mounted antenna
- Sam's Trailer with Pneumatic Circular Antenna
- Arrow Trailer Model AT880 w/mounted antenna and generator
- Arrow Trailer w/mounted antenna and generator

(collectively, the "Vehicles/Trailers").

5. The Vehicles/Trailers are currently located in Needville, Texas at the Debtor's yard. Although fenced, the Vehicles/Trailers are subject to vandalism and theft.

6. Both prior to and subsequent to the bankruptcy filing, the Debtor has explored the available options for selling the Vehicles/Trailers. The Vehicles/Trailers have been offered for sale throughout the United States. While there have been a number of indications of interest, Global was the first party to submit a written offer to the Debtor to purchase the Vehicles/Trailers. After several offers and responses, the parties reached an agreement. A copy of the letter agreement between the parties is attached as **Exhibit 1**. Global's offer contained in **Exhibit 1** remains the highest offer that has been received to date by the Debtor. Based on the market response as well as the opinions of persons familiar with the Vehicles/Trailers, the Debtor has determined that the proposed sales price is a fair price and that the sale of the Vehicles/Trailers to Global should be approved.

Requested Relief and Authority

7. The Debtor requests that the Court approve the sale of the Vehicles/Trailers to Global free and clear of all liens, claims, interests and encumbrances. In evaluating such a sale, a court must balance the need for flexibility with the concern of affected creditors. *In re Terrace Gardens Park Partnership*, 96 B.R. 707, 715 (Bankr. W.D. Tex. 1989). The Court must also determine that creditors' lien rights are adequately protected and that the offered price is the highest price obtainable under the circumstances in the particular case. *Id.*; *In re Beker Indus. Corp.*, 63 B.R. 474, 477-78 (Bankr. S.D.N.Y. 1986). As set forth above, the Debtor believes that the purchase price to be paid by Global is a fair price and that a sale to Global is in the best interest of the estates and their creditors. As Global will accept the Vehicles/Trailers in place,

the Debtor receives the additional benefit of avoiding the incurrence of significant transportation costs.

8. The Vehicles/Trailers are all titled items of personal property. The Debtor has the most of the titles in its possession. Except for current *ad valorem* taxes, no party can hold a valid lien on the Vehicles/Trailers.

Payment of Closing Expenses

9. Although not anticipated, the Debtor requests authority to pay any miscellaneous expenses that may be incurred at closing such as recording fees, title transfer fees, certificate transfer fees or other miscellaneous expenses. These expenses are not expected to exceed \$1,500.

Waiver of Stay

10. The Vehicles/Trailers are located in a partially unsecured location. The Debtor also continues to have obligations to insure and maintain the Vehicles/Trailers. In order to promptly consummate the proposed sale and relieve the estate of significant ongoing obligations and risk, the Debtor requests that the Court waive the stay imposed by Bankruptcy Rule 6004(h) and allow the Debtor to immediately consummate the transactions contemplated herein. No party will be prejudiced by the requested waiver.

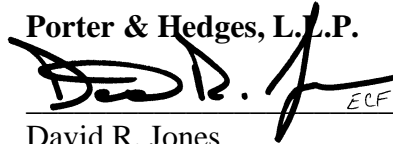
Accordingly, the Debtor requests that the Court (i) approve the sale of the Vehicles/Trailers free and clear of liens, claims, interests and encumbrances under 11 U.S.C. § 363(f) pursuant to **Exhibit 1**; (ii) approve the payment of certain expenses as set forth above; (iii) authorize the Debtor to execute all documents necessary to effectuate the sale; and (iv) grant the Debtor other just relief.

Dated: July 15, 2009.

Respectfully submitted,

Porter & Hedges, L.L.P.

By:

A handwritten signature in black ink, appearing to read "D.R. Jones", is written over a horizontal line. To the right of the signature, the letters "ECF" are handwritten.

David R. Jones
State Bar No. 00786001/S.D.Tex. No. 16082
Joshua W. Wolfshohl
State Bar No. 24038592
1000 Main, 36th Floor
Houston, Texas 77002
(713) 226-6000
(713) 226-6253 (Facsimile)
Counsel for the Debtor

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing instrument was duly served by United States first class mail to all parties listed on the attached Service List and by electronic transmission to all registered ECF users appearing in the case on July 15, 2009.

A handwritten signature in black ink, appearing to read "D.R. Jones", is written over a horizontal line. To the right of the signature, the letters "ECF" are handwritten.

David R. Jones



3535 Briarpark Dr.
Suite 200
Houston, Texas 77042
Tel: 713-972-9200
Fax: 713-972-1008
www.globalgeophysical.com

June 29, 2009

Eagle Geophysical, Inc.
Mr. H. Malcolm Lovett
908 Town & Country Blvd., Suite 400
Houston, Texas 77024

Via email: MLovett@scchouston.com

Mr. Lovett,

Global Geophysical Services proposes to purchase the following assets for total cash consideration of **\$280,000.00** (Two-hundred eighty thousand USD):

- 1) Seven (7) LRS 315 Truck Mounted Vibrators, mounted on Paystar 5000 International Truck w/all spares in inventory and parts trailer AND w/ all Pelton Advance II Electronics & Pelton ESG unit. This offers covers the 8th LRS 315 Truck mounted vibrator that is currently being used for spare parts.
- 2) Arrow Trailer Model AT835 mounted Antenna
- 3) Sam's Trailer mounted w/Pneumatic Circular Antenna
- 4) Arrow Trailer Model AT880 mounted Antenna w/Generator
- 5) Arrow Trailer mounted Antenna w/Generator

This purchase is not contingent on financing, and must be approved by the Bankruptcy Court.

This offer terminates Tuesday, July 7, 2009 at 5:00 p.m. Houston time if not accepted.

Please feel free to call me directly at (713) 808-7349 if you have additional questions.

Regards,


Al LeBlanc
Manager, Pooled Equipment
Purchasing & Logistics

cc: David Jones, Porter & Hedges

EXHIBIT

1

SERVICE LIST

Debtor

Eagle Geophysical, Inc.
Eagle Geophysical Onshore, Inc.
c/o H. Malcolm Lovett, Jr.
Strategic Capital Corporation
520 Post Oak Blvd., Suite 320
Houston, TX 77027

U.S. Trustee

Christine March
Office of the United States Trustee
515 Rusk, Suite 3516
Houston, TX 77002

U/S Creditors Committee

Christopher Adams
Okin Adams & Kilmer, LLP
1113 Vine St., Suite 201
Houston, TX 77002

Arrow Geophysical Drilling, L.P.
c/o David W. Elrod
500 N. Akard, Suite 3000
Dallas, TX 75201

Mitcham Industries, Inc.
c/o Robert Capps
P.O. Box 1175
Huntsville, TX 77342-1175

Mitcham Industries, Inc.
c/o Joseph Wilebinski
Munsch Hardt Kopf & Harr
500 N. Akard, Suite 3800
Dallas, TX 75201

ARAM Systems Corporation
c/o David Roland
2105 City West Blvd., Suite 400
Houston, TX 77042-2839

Credit Union Services
8131 LBJ Freeway, Suite 400
Dallas, TX 75251

Curry Auto Leasing
14850 Montfort Drive, Suite 295
Dallas, TX 75254

Marquette Equipment Finance
6975 Union Park Center, Suite 200
Midvale, UT 84047

SunTrust Equipment Finance & Leasing
300 East Joppa Road, 7th Floor
Towson, MD 21286

TFG-Texas, L.P.
6925 Union Park Center
Midvale, UT 84047

Town & Country Office Towers, LP
c/o Reliance Property Resource
10565 Katy Freeway, Suite 301
Houston, TX 77024

Wells Fargo Bank
1500 Waugh Drive, 1st Floor
Houston, TX 77019

Eagle Geophysical, Inc.
20 Largest Unsecured Creditors

A. John Knapp, Jr.
1811 Bering Drive, Suite 200
Houston, TX 77057

A. John Knapp, Jr. Trust
1811 Bering Drive, Suite 200
Houston, TX 77057

Allen Schubert
333 East Main, Suite 400
Louisville, KY 40202

Allstate Permit Services, LP
c/o Elrod, PLLC
500 North Akard, Suite 3000
Dallas, TX 75201

American Express
P.O. Box 53800
Phoenix, AZ 85072

Andover Group
919 Milam
Houston, TX 77002

Arrow Geophysical Drilling, L.P.
c/o Elrod, PLLC
500 North Akard, Suite 3000
Dallas, TX 75201

Douglas Thompson
250 Lloyds Lane
Vero Beach, FL 32963

Eagle Canada, Inc.
396 11th Avenue SW, Suite 110
Calgary, AB CN T2R 0C5

Eagle Equipment Leasing
300 Jackson Hill
Houston, TX 77007

Eagle Geophysical Offshore
Fixed Income Trust
908 Town & Country Blvd., Suite 400
Houston, TX 77027

Heli-Dunn, Inc.
P.O. Box 276
Phoenix, OR 97535

John Kornitzer
5420 West 61st Place
Mission, KS 66205
Julie Edwards
3826 Coleridge Street
Houston, TX 77005

Kent Teague
1050 Parkdale Drive
McKinney, TX 75069

Paris Residential 1
300 Jackson Hill Street
Houston, TX 77007

Realtime Geophysical Surveys, L.P.
c/o Elrod, PLLC
500 North Akard, Suite 3000
Dallas, TX 75201

Robert Hixon
P.O. Box 1388
Houston, TX 77251

Steward Cable
P.O. Box 11270
Midland, TX 79702

UHY, LLP
12 Greenway Plaza, Suite 1202
Houston, TX 77046

Eagle Geophysical Onshore, Inc.
20 Largest Unsecured Creditors

Allstate Permit Services, LP
c/o Elrod, PLLC
500 North Akard, Suite 3000
Dallas, TX 75201

ARAM Systems, Ltd.
7236 10th Street, NE
Calgary AB CN T2E 8X3

Arrow Geophysical Drilling, L.P.
c/o Elrod, PLLC
500 North Akard, Suite 3000
Dallas, TX 75201

Boone Exploration, Inc.
P.O. Box 8660
Huntsville, TX 77340

Buckley Powder Company
P.O. Box 17532
Denver, CO 80217

Dauterive Contractors, Inc.
4700 E. Old Jeanerette Rd.
New Iberia, LA 70563

Eagle Canada, Inc.
396 11th Avenue SW, Suite 110
Calgary, AB CN T2R 0C5

Energy Operations Nevada
5777 Central Avenue
Boulder, CO 80301

Geophysical Land Services
P.O. Box 1078
Livingston, TX 77351

Geospace Technologies, LP
P.O. Box 3049
Houston, TX 77253

HMS Enterprises, Inc.
9203 Highway 6 S
Suite 124-406
Houston, TX 77083

Mitcham Industries, Inc.
P.O. Box 1175
Huntsville, TX 77342

O'Brien Resources, LLC
P.O. Box 6149
Shreveport, LA 71136-6149

Omni Energy Seismic Services, LLC
2383 Momentum Place
Chicago, IL 60689

Omni Labor Corporation
2385 Momentum Place
Chicago, IL 60689

PM Heli-Ops, Inc.
8371 Gold Ray Road
Central Point, OR 97502

Realtime Geophysical Surveys, L.P.
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500 North Akard, Suite 3000
Dallas, TX 75201

Texas Seismic Rental
12300 Parc Crest Drive
Stafford, TX 77477

Town & Country Office Towers, LP
c/o Reliance Property Resource
10565 Katy Freeway, Suite 301
Houston, TX 77024

Urban Seismic Specialists, Inc.
P. O. Box 1266
New Ulm, TX 78950

Parties Requesting Notice

Geophysical Land Services, LLC
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Thomas J. Turner
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Missouri Department of Revenue
Bankruptcy Unit
Attn: Richard M. Maseles
P.O. Box 475
Jefferson City, MO 65105-0475

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